COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4556-08
Bill No.: CCS for HCS for SS for SB 621
Subject: Health and Senior Services Department; Health Care; Health Care Professionals; Medicaid/MO HealthNet; Mental Health Department; Public Assistance; Social Services Department
Type: Original
Date: May 3, 2016

Bill Summary: This proposal modifies provisions relating to health care.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
General Revenue	($546,574 to $700,706)	($485,831 to $648,662)	($452,660 to $619,014)	($447,488 to $617,499)
Total Estimated Net Effect on General Revenue	**($546,574 to $700,706)**	**($485,831 to $648,662)**	**($452,660 to $619,014)**	**($447,488 to $617,499)**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
Insurance Dedicated	Up to $5,000	$0	$0	$0
Professional Registration (various)	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)
University	$0 to (Less than $100,000)	$0 to (Less than $100,000)	$0 to (Less than $100,000)	$0 to (Less than $100,000)
Total Estimated Net Effect on Other State Funds	**(Unknown)**	**(Unknown)**	**(Unknown)**	**(Unknown)**

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 26 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
Federal *	$0	$0	$0	$0
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**	**$0**

* Income and expenditures could exceed $700,000 annually and net to $0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
General Revenue	2.5 or 3.5	2.5 or 3.5	2.5 or 3.5	2.5 or 3.5
Federal	1.5	1.5	1.5	1.5
Total Estimated Net Effect on FTE	**4 or 5**	**4 or 5**	**4 or 5**	**4 or 5**

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed $100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
Local Government	**$0**	**$0**	**$0**	**$0**

FISCAL ANALYSIS

ASSUMPTION

§§9.154, 191.594, and 191.596 - Show-Me Compassionate Medical Education

Officials from the **Department of Social Services (DSS)** assume there is no fiscal impact from this proposal to their organization.

§96.192 - Investment of Certain Hospital Funds

Officials from the **DSS, MO HealthNet Division (MHD)** state the board of trustees for hospitals meeting certain requirements can invest up to twenty-five percent of the hospital's funds not required for immediate disbursement in obligations or for the operation of the hospital in any United States investment grade fixed income funds or any diversified stock funds. MO HealthNet bases hospital reimbursement for a given year on the fourth prior year cost report. If this provision increases revenue for the hospital and the hospital increases services billed for MO HealthNet participants, there could be additional costs, beginning with the 2018 cost reports. MO HealthNet would use 2018 cost reports to establish reimbursement for State Fiscal Year (SFY) 22. Therefore, there would not be a fiscal impact to the MHD for FY 2017, FY 2018, FY 2019, FY 2020 or FY 2021, but starting FY 2022, there could be an additional cost.

Oversight assumes it is speculative as to whether funds invested by hospitals would result in an increase in services billed for MO HealthNet and is not presenting this unknown impact for fiscal note purposes.

Oversight also assumes only certain county hospitals may invest up to 25% of their funds in investment grade fixed income funds. This provision is permissive and would be up to the discretion of the board of trustees of the hospital to decide to invest funds. Therefore, Oversight assumes no direct fiscal impact.

§§167.638, 174.335, and 198.054 - Vaccinations

Officials from the **Department of Social Services** assume the proposal would not fiscally impact their agency.

§§191.1075, 191.1080, 191.1085 - Palliative Care Council, Information and Education Program

Officials from the **Department of Health and Senior Services (DHSS), Division of Regulation and Licensure (DRL)** state section 191.1080 creates the Missouri Palliative Care and Quality of Life Interdisciplinary Council and directs the DHSS to coordinate meeting logistics. These activities will be accomplished through the use of current staff.

ASSUMPTION (continued)

Funds are requested for the reimbursement of travel expenses for the Council members to attend Council meetings. DHSS assumes the meetings will be held biannually. The cost per Council member to attend these meetings is calculated at $180 per day for lodging, meals, and mileage. The total cost for the Council meetings in the first year is calculated at $1,980 (11 members x 1 meeting x $180). Subsequent years include a 2.5 percent cost of living increase and two meetings per year.

Total Cost:
FY 17: $1,980 General Revenue (GR)
FY 18: $4,059 GR
FY 19: $4,160 GR

Section 191.1085 creates the Palliative Care Consumer and Professional Information and Education Program within DHSS. DHSS is to publish information and resources, including links to external resources, about palliative care on its website. Some resources are already identified on the DHSS website. The addition of further resources, links, etc. on the website will be accomplished through the use of current staff.

Oversight assumes DHSS appropriations are sufficient to cover the Council members' travel costs within current funding levels. If costs significantly exceed estimates, the DHSS may seek additional resources through the appropriations process.

Officials from the **Office of the Governor (GOV)** state section 191.1080 establishes the Missouri Palliative Care and Quality of Life Interdisciplinary Council which includes seven gubernatorial appointees. There should be no added cost to the GOV as a result of this measure.

However, if additional duties are placed on the office related to appointments in other Truly Agreed To and Finally Passed (TAFP) legislation, there may be the need for additional staff resources in future years.

§192.380 - Maternal Care

Officials from the **DHSS, Division of Community and Public Health (DCPH)** provide section 192.380.2 states that DHSS would be responsible for organizing and hosting stakeholder meetings to gather public input into establishing the criteria for levels of maternal care designations for birthing facilities. DHSS will need a full time Health Program Representative III ($38,928 annually). Duties of this position include but are not limited to the following:

ASSUMPTION (continued)

- Coordinate the stakeholder input meetings to be held around the state: identify the locations, prepare announcements, prepare agendas, and take notes of the meeting discussion;
- Perform relevant data inquiries and compilation of information from the meetings;
- Coordinate collaboration with other appropriate agencies and entities needed to administer provisions of the proposed legislation;
- Establish criteria for levels of maternal and neonatal care designations for birthing facilities;
- Promulgate rules regarding the established criteria and reporting requirements;
- Answer questions and phone calls from hospitals regarding the levels of care;
- Monitor evidence based information and research that is published that may change the level of care designations; and
- Host annual stakeholder meetings to ensure levels of care are current and being reported accurately.

Oversight assumes the DHSS does not need rental space for one FTE.

Officials from the **DSS, MHD** state these provisions establish the Perinatal Advisory Council, which shall be comprised of representatives from specified community and health organizations and professions. After receiving public input, the council shall make recommendations for the division of the state into neonatal and maternal care regions. The council shall also establish standards for all neonatal and maternal levels of birthing hospital care, focusing on facilities, coordination, management, risk identification and referrals, consultation services, reporting requirements, and monitoring and evaluation of performance. The council shall base its standards upon evidence and best practices as identified by the American Academy of Pediatrics and the American Congress of Obstetricians and Gynecologists. By January 1, 2018, hospital license applications shall include the appropriate level of maternal care and neonatal care designations under the standards established in this act.

MO HealthNet bases hospital reimbursement for a given year on the fourth prior year cost report. If the standards were implemented by hospitals by January 1, 2018, there could be additional costs, beginning with the 2018 cost reports. MO HealthNet would use 2018 cost reports to establish reimbursement for SFY 2022. Therefore, there would not be a fiscal impact to the MO HealthNet Division for FY 2017, FY 2018, FY 2019, FY 2020 or FY 2021, but starting FY 2022, there could be an additional cost, which would be offset by savings through improved birth outcomes.

ASSUMPTION (continued)

§197.258 - Hospice Surveys

Officials from the **DHSS** state the reduction in state survey frequency for hospices from "not less than once annually" to "not less than every three years" has no fiscal impact on the Division of Regulation and Licensure. There are no cost savings.

The Federal Improving Medicare Post-Acute Care Transformation Act of 2014 (the IMPACT Act) provided additional federal funds to increase the frequency of federal hospice surveys from once every six years to an average of once every three years. This federal funding, coupled with existing state General Revenue funding, should allow DHSS to achieve the three year survey interval (state and federal) over the course of the next three years.

Annual renewal fees which are deposited in General Revenue are established by rule (19 CSR 30-35.030) and would not be impacted by the change in state survey frequency.

§197.315 - Certain Facilities Not Exempt from Certificate of Need Requirements

Officials from the **DSS, MHD** state this section requires hospitals operated by the state and licensed under Chapter 197 to obtain a certificate of need and comply with the other provisions of certificate of need except for Department of Mental Health state-operated psychiatric hospitals. Currently, facilities operated by the state are not required to obtain a certificate of need, appropriation of funds to such facilities by the General Assembly are deemed in compliance with certificate of need provisions, and such facilities are deemed to have received an appropriate certificate of need without payment of any fee or charge. This provision also specifies what equipment can be purchased without a certificate of need. MHD assumes there would be no change to hospital reimbursements or Federal Reimbursement Allowance (FRA) collections.

Officials from the **University of Missouri Health Care** state they have reviewed the proposed legislation and determined that, as written, it will create additional expenses in excess of $100,000 annually.

Oversight notes the provisions at section 197.315.10 provides that the Certificate-of-Need (CON) "application fee is one thousand dollars, or one-tenth of one percent of the total cost of the proposed project, whichever is more...". In addition, based on available information, it appears the provisions of this proposal would only apply to the University of Missouri Health Care and the Women's and Children's Hospital. For fiscal note purposes only, Oversight is presenting the University of Missouri Health Care and Women's and Children's Hospital costs under "University Funds". This is not intended to indicate that the Health Care System's costs are actual costs to the University.

ASSUMPTION (continued)

Oversight assumes the University Health Care System would not purchase additional equipment on an annual basis in an amount exceeding $100,000,000 to incur costs greater than $100,000 annually in Certificate of Need fees ($100,000,000 project costs X 0.001 = $100,000). Therefore, Oversight will present the University Health Care System's proposed costs as $0 to less than $100,000 annually.

§205.165 - Certain Hospitals May Invest in Mutual Funds

Officials from the **DSS, MHD** state the board of trustees for hospitals meeting certain requirements can invest up to fifteen percent of the hospital's funds not required for immediate disbursement in obligations or for the operation of the hospital into any mutual fund. MO HealthNet bases hospital reimbursement for a given year on the fourth prior year cost report. If this provision increases revenue for the hospital and the hospital increases services billed for MO HealthNet participants, there could be additional costs, beginning with the 2018 cost reports. MO HealthNet would use 2018 cost reports to establish reimbursement for SFY 2022. Therefore, there would not be a fiscal impact to the MO HealthNet Division for FY 2017, FY 2018, FY 2019, FY 2020 or FY 2021, but starting FY 2022, there could be an additional cost.

Oversight assumes it is speculative as to whether funds invested by hospitals would result in an increase in services billed for MO HealthNet and is not presenting this unknown impact for fiscal note purposes.

In response to similar legislation (HB 2139), officials from the **Boone County Hospital** assumed that the fiscal impact would be positive. Although the amount would depend on market fluctuations, the Board of Trustees of Boone County Hospital would gain more than $100,000 annually.

Oversight assumes from this proposal that certain county hospitals may invest up to 15% of their funds in mutual funds. This provision is permissive and would be up to the discretion of the board of trustees of the hospital to decide to invest funds. Therefore, Oversight assumes no direct fiscal impact.

§208.152 - MO HealthNet Reimbursement of New Behavior Assessment and Intervention Codes

Officials from the **DSS, MHD** state if the proposed legislation is enacted, MHD would reimburse for behavior assessment and intervention codes 96150 to 96154 for all psychologists regardless of any accreditation or specific training. MHD does not currently reimburse for these codes for

ASSUMPTION (continued)

psychologists without specific training in this intervention; therefore, a cost would be incurred. MHD anticipates the reimbursement for these codes would be $20.00 per unit. Medicare does reimburse for codes 96150 to 96154 and MHD pays for the Medicare deductible and coinsurance related to these codes for dual (Medicare and Medicaid) enrolled individuals. In FY 2015, MHD paid the coinsurance and deductibles on 1,983 units of service. The number of dual enrolled participants in October 2015 was 146,444. The number of claims billed per dual enrolled is 0.014 (1,983 / 146,444). The number of MHD participants who are eligible for these services covered by codes 96150 to 96154 was 805,666 in October 2015. The estimated number of units which would be billed to MHD is 11,279 (805,666 X 0.014 claims/dual enrolled) annually. The estimated FY 2015 cost would be $225,580 (11,279 x $20.00). The FY 2015 cost was inflated by 3% annually to arrive at the FY 2017 through FY 2020 cost.

Because this section is subject to appropriation, a range will be used from $0 to the total estimated cost for each year for this subsection only.

FY 2017: Total $0 to $239,317 (GR $0 to $88,002; Federal $0 to $151,315);
FY 2018: Total $0 to $246,497 (GR $0 to $90,642; Federal $0 to $155,855);
FY 2019: Total $0 to $253,892 (GR $0 to $93,361; Federal $0 to $160,531), and
FY 2020: Total $0 to $261,509 (GR $0 to $96,162; Federal $0 to $165,347).

§§208.670, 208.671, 208.673, 208.675, 208.677, and 208.686 - Telehealth and Telemonitoring

Officials from the **DSS, MHD** provide the following assumptions:

Section 208.670.5 adds the use of asynchronous store-and-forward technology to the practice of telehealth.

In 2015 there were 17,432 telehealth visits. MHD estimates that 10% of the telehealth visits will be the amount of asynchronous store-and-forward visits for new users resulting in 1,744 (17,432 * 10%) visits. MHD estimates that the costs to transmit the data from the patient site to the distant site will be $14.60 per transmission for a total cost for new users of $25,463. MHD estimates that 5% of the telehealth services will be existing telehealth users who will use this new service resulting in 872 (17,432 * 5%) visits. MHD estimates that the costs to transmit the data from the patient site to the distant site will be $14.60 per transmission for a total cost for existing users of $12,732. The total estimated cost to transmit the data from the patient site to the distant site is $38,195 ($25,463 + $12,732).

MHD estimates that 1,308 (1,744* 75%) store-and-forward visits will require additional care. MHD estimates that it will costs $67 for each additional care visit for a total cost of $87,636 (1,308 * $67).

ASSUMPTION (continued)

The total cost for asynchronous store-and-forward in SFY 17 is $125,831 ($25,463 + $12,732 + $87,636). MHD assumes there will be only 10 months in SFY 17 at a cost of $104,859 ($125,831 * 10/12). A 3% inflation factor was used to calculate SFY 18 and beyond.

With existing users utilizing store-and-forward there would be a Non-Emergency Medical Transportation (NEMT) savings of $25 per visit for a total savings of $21,800 ($25 * 872). MHD doesn't expect to see these savings until SFY 19 due to rate development methodologies in NEMT capitation payments. The $21,800 was trended using a 3% inflation factor to get to the savings for SFY 19. MHD assumes it will see 75% of the SFY 19 savings due to SFY 17 costs only being for 10 months.

A State Plan Amendment (SPA) is required for the asynchronous store-and-forward services.

Section 208.671 will require MMIS costs to update the system. MHD estimates that it will cost $200,000 in system work and $75,000 in staff time to do the work for a total of $275,000. These costs will be split 50/50 between General Revenue (GR) and Federal Funds.

MHD estimates it will need 1.25 additional FTEs at the Management Analysis Specialist II position for system work, integration, evaluation, and to establish guidelines.

Section 208.673 establishes the "Telehealth Services Advisory Committee."

MHD estimates it will need 1 additional FTE at the Program Development Specialist level to coordinate the new advisory committee, plan agendas, attend meetings, take minutes, oversee filling vacancies, etc.

Section 208.675 lists eligible health care providers.

13 CSR 70-3.190 describes MO HealthNet's (MHD) telehealth services and does not include Clinical Social Workers, Licensed Professional Counselors, Assistant Physicians, Physicians Assistants, and Optometrist as eligible health care providers. (**Oversight** notes these providers are not currently eligible MO HealthNet providers.)

Clinical Social Workers - In 2015 there were 17,432 telehealth visits. MHD estimates that 20% of the telehealth visits will be the amount of new Clinical Social Worker telehealth visits for new users resulting in 3,487 (17,432 * 20%) new visits. MHD estimates that the telehealth originating fee will be $14.60 per transmission for a cost for new users of $50,910. MHD estimates the provider will charge $48 per visit for new users resulting in costs of $167,376

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(3,487 * $48). The total cost for new users is $218,286 ($50,910 + $167,376). MHD estimates that 5% of the telehealth services will be existing Clinical Social Worker users who will now use telehealth services resulting in 872 (17,432 * 5%) visits. MHD estimates that the costs to transmit the data from the patient site to the distant site will be $14.60 per transmission for a total cost for existing users of $12,731.

The total estimated cost for Clinical Social Workers in SFY 17 is $231,017 ($218,286 + $12,731). Since there will be only 10 months in SFY 17 the cost will be $192,514 ($231,017 * 10/12). A 3% inflation factor was used to calculated SFY 18 and beyond.

With existing users utilizing Clinical Social Workers via telehealth, there would be an NEMT savings of $25 per visit for a total savings of $21,800 ($25 * 872). MHD doesn't expect to see these savings until SFY 19 due to rate development methodologies in NEMT capitation payments. The $21,800 was trended using a 3% inflation factor to get to the savings for SFY 19. MHD assumes it will see 75% of the SFY 19 savings due to SFY 17 costs only being for 10 months.

Licensed Professional Counselors - In 2015 there were 17,432 telehealth visits. MHD estimates that 10% of the telehealth visits will be the amount of new Licensed Professional Counselor telehealth visits for new users resulting in 1,744 (17,432 * 10%) new visits. MHD estimates that the telehealth originating fee will be $14.60 per transmission for a cost for new users of $25,462. MHD estimates the provider will charge $48 per visit for new users resulting in costs of $83,712 (1,744 * $48). The total cost for new users is $109,174 ($25,462 + $83,712). MHD estimates that 5% of the telehealth services will be existing Licensed Professional Counselor users who will now use telehealth services resulting in 872 (17,432 * 5%) visits. MHD estimates that the costs to transmit the data from the patient site to the distant site will be $14.60 per transmission for a total cost for existing users of $12,731.

The total estimated cost for Licensed Professional Counselors in SFY 17 is $121,905 ($109,174 + $12,731). Since there will be only 10 months in SFY 17 the cost will be $101,588 ($121,905 * 10/12). A 3% inflation factor was used to calculated SFY 18 and beyond.

With existing users utilizing Licensed Professional Counselors via telehealth, there would be an NEMT savings of $25 per visit for a total savings of $21,800 ($25 * 872). MHD doesn't expect to see these savings until SFY 19 due to rate development methodologies in NEMT capitation payments. The $21,800 was trended using a 3% inflation factor to get to the savings for SFY 19. MHD assumes it will see 75% of the SFY 19 savings due to SFY 17 costs only being for 10 months.

ASSUMPTION (continued)

Assistant Physicians - In 2015 there were 17,432 telehealth visits. MHD estimates that 5% of the telehealth visits will be the amount of new Assistant Physician telehealth visits for new users resulting in 872 (17,432 * 5%) new visits. MHD estimates the telehealth originating site fee will be $14.60 per transmission for a cost for new users of $12,731. MHD estimates the provider will charge $48 per visit for new users resulting in costs of $41,856 (872 * $48). The total cost for new users is $54,587 ($12,731 + $41,856). MHD estimates that 5% of the telehealth services will be existing Assistant Physician users who will now use telehealth services resulting in 872 (17,432 * 5%) visits. MHD estimates that the costs to transmit the data from the patient site to the distant site will be $14.60 per transmission for a total cost for existing users of $12,731.

The total estimated cost for Assistant Physicians in SFY 17 is $67,318 ($54,587 + $12,731). Since there will be only 10 months in SFY 17 the cost will be $56,098 ($67,318 * 10/12). A 3% inflation factor was used to calculated SFY 18 and beyond.

With existing users utilizing Assistant Physicians via telehealth, there would be an NEMT savings of $25 per visit for a total savings of $21,800 ($25 * 872). MHD doesn't expect to see these savings until SFY 19 due to rate development methodologies in NEMT capitation payments. The $21,800 was trended using a 3% inflation factor to get to the savings for SFY 19. MHD assumes it will see 75% of the SFY 19 savings due to SFY 17 costs only being for 10 months.

Physicians Assistants - In 2015 there were 17,432 telehealth visits. MHD estimates that 10% of the telehealth visits will be the amount of new Physician Assistant telehealth visits for new users resulting in 1,744 (17,432 * 10%) new visits. MHD estimates that the telehealth originating site fee will be $14.60 per transmission for a cost for new users of $25,462. MHD estimates the provider will charge $48 per visit for new users resulting in costs of $83,712 (1,744 * $48). The total cost for new users is $109,174 ($25,462 + $83,712). MHD estimates that 5% of the telehealth services will be existing Physician's Assistant users who will now use telehealth services resulting in 872 (17,432 * 5%) visits. MHD estimates that the costs to transmit the data from the patient site to the distant site will be $14.60 per transmission for a total cost for existing users of $12,731.

The total estimated cost for Physicians Assistants in SFY 17 is $121,905 ($109,174 + $12,731). Since there will be only 10 months in SFY 17 the cost will be $101,588 ($121,905 * 10/12). A 3% inflation factor was used to calculated SFY 18 and beyond.

With existing users utilizing Physicians Assistants via telehealth, there would be an NEMT savings of $25 per visit for a total savings of $21,800 ($25 * 872). MHD doesn't expect to see these savings until SFY 19 due to rate development methodologies in NEMT capitation

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payments. The $21,800 was trended using a 3% inflation factor to get to the savings for SFY 19. MHD assumes it will see 75% of the SFY 19 savings due to SFY 17 costs only being for 10 months.

Optometrists - In 2015 there were 17,432 telehealth visits. MHD estimates that 10% of the telehealth visits will be the amount of new Optometrists telehealth visits for new users resulting in 1,744 (17,432 * 10%) new visits. MHD estimates that the telehealth originating site fee will be $14.60 per transmission for a cost for new users of $25,462. MHD estimates the provider will charge $48 per visit for new users resulting in costs of $83,712 (1,744 * $48). The total cost for new users is $109,174 ($25,462 + $83,712). MHD estimates that 5% of the telehealth services will be existing Optometrist users who will now use telehealth services resulting in 872 (17,432 * 5%) visits. MHD estimates that the costs to transmit the data from the patient site to the distant site will be $14.60 per transmission for a total cost for existing users of $12,731.

The total estimated cost for Optometrists in SFY 17 is $121,905 ($109,174 + $12,731). Since there will be only 10 months in SFY 17 the cost will be $101,588 ($121,905 * 10/12). A 3% inflation factor was used to calculated SFY 18 and beyond.

With existing users utilizing Optometrists via telehealth, there would be an NEMT savings of $25 per visit for a total savings of $21,800 ($25 * 872). MHD doesn't expect to see these savings until SFY 19 due to rate development methodologies in NEMT capitation payments. The $21,800 was trended using a 3% inflation factor to get to the savings for SFY 19. MHD assumes it will see 75% of the SFY 19 savings due to SFY 17 costs only being for 10 months.

Section 208.677 defines the term originating site and gives a list of sites that can be an originating site.

13 CSR 70-3.190 describes MO HealthNet's (MHD) telehealth services and does not include school, MHD participant's home, clinical designated area in a pharmacy, or child assessment centers as originating sites.

MHD assumes this legislation does not include all services provided at a school-based clinic, but rather only behavioral health provided under an IEP (Individual Education Plan). MHD further assumes school-based telehealth services under an IEP would likely increase the utilization of Behavioral Health counseling services. Behavioral health counseling is currently considered the only allowable service through telehealth that can be billed by schools. MHD reimburses schools for the federal share of costs incurred. The current FY15 spend for Behavioral Health counseling is $368,000 with 9,751 annual visits. Assuming a 5% increase in number of visits to

ASSUMPTION (continued)

the school based originating site, this would add $4,504 in originating fees in FY17 (488 visits x $9.23 federal portion of originating site fees per visit as schools pay the state share). Since there will only be 10 months in FY 17, the cost will be $3,753 ($4,504 * 10/12). A 3% inflation factor was used to calculate FY 18 and beyond.

There is also a resulting savings to NEMT costs for providing this service in schools. Due to NEMT capitation rate methodologies, there is a two year lag to incorporate the lower NEMT utilization in to the rates. Initially, MHD would see increased costs in SFY 17 and SFY 18 and NEMT savings would begin to occur in SFY 19 and be fully implemented into the rates by SFY 20.

MHD assumes that the requirements for adding a clinical designated area in a pharmacy for telehealth services would be cost prohibitive to the pharmacy and will not have a fiscal impact on MHD.

According to missourikidsfirst.org, Missouri Child Advocacy Centers serve around 7,000 children each year. Assuming 5% of these children will utilize telehealth, there will be 350 telehealth visits (7,000 * 5%). At a cost of $14.60 a visit, the total cost will be $5,110 (350 * $14.60) in FY 17. Since there will only be 10 months in FY 17, the cost will be $4,258 ($5,110 * 10/12). A 3% inflation factor was used to calculate FY 18 an beyond.

13 CSR 70-3.190 Telehealth Services requires the telehealth service to be performed on a "private, dedicated telecommunications line approved through the Missouri Telehealth Network (MTN). The telecommunications line must be secure and utilize a method of encryption adequate to protect the confidentiality and integrity of the Telehealth service information. The Missouri Telehealth Network must also approve the equipment that will be used in Telehealth service." It further states that both a distant and originating site shall use authentication and identification to ensure confidentiality. In addition, the CSR specifies that the originating site (patient location) must ensure immediate availability of clinical staff during a Telehealth encounter in the event a participant requires assistance.

Based on these requirements, MHD assumes in-home telehealth would be cost prohibitive to MHD participants and there would be no fiscal impact.

Section 208.686, subject to appropriations, requires the department to establish a statewide program that permits reimbursement under the MHD program for home telemonitoring services. Continuation of funding for such a program is dependent upon a review of cost effectiveness.

ASSUMPTION (continued)

MHD is currently running reports to see if telemonitoring is cost effective. Assuming that it is cost effective, there will be no impact to MHD. This bill would make telemonitoring a state plan service which would require a State Plan Amendment (SPA).

MHD estimates it will need 1 FTE at the Social Services Band 2 position for evaluation of the cost effectiveness of the service.

Total costs are:

SFY17 (10 months): Total $1,163,313 (GR $492,145; Federal $671,168) to $1,402,630 (GR $580,147; Federal $822,483;

SFY18: Total $1,066,387 (GR $422,558; Federal $643,829) to $1,312,884 (GR $513,199; Federal $799,765;

SFY19: Total $ 973,717 (GR $388,745; Federal $584,972) to $1,227,609 (GR $482,106; Federal $745,503); and

SFY20: Total $956,873 (GR $382,820; Federal $574,053) to $1,218,382 (GR $478,982; Federal $739,400) fully implemented.

Oversight assumes MHD would not hire 0.25 FTE and that the duties of that part-time FTE would be absorbed by existing personnel. In addition, Oversight assumes MHD would not need rental space for a total of 3 FTE.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state insurers would be required to submit amendments to their policies to comply with legislation. Policy amendments must be submitted to the department for review along with a $50 filing fee. The number of insurance companies writing these policies in Missouri fluctuates each year. One-time additional revenues to the Insurance Dedicated Fund are estimated to be up to $5,000.

Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require policy form reviews the department will need to request additional staff to handle increase in workload.

Officials from the **Office of the Governor (GOV)** state Section 208.673 establishes the Telehealth Services Advisory Committee which is comprised of nine gubernatorial appointees. There should be no added cost to the GOV as a result of this measure. However, if additional duties are placed on the office related to appointments in other Truly Agreed To and Finally Passed (TAFP) legislation, there may be the need for additional staff resources in future years.

ASSUMPTION (continued)

§324.001 - Collect and Analyze Workforce Data

Officials from the **Department of Health and Senior Services (DHSS)** state the proposed legislation duplicates an existing program. The Missouri Healthcare Workforce Registry and Exchange (MoHWoRx) is an information system developed by DHSS to help health professionals meet state registration requirements and to provide comprehensive and timely information on health care access statewide. MoHWoRx currently supports the Missouri Health Professionals Registry and the Bureau of Narcotics and Dangerous Drugs (BNDD) online registration. The Missouri Health Professionals Registry is a voluntary registration tool that provides the foundation for a comprehensive Missouri health care workforce information system and the Division of Professional Registration provides data to MoHWoRx to provide a more complete registry of health care professionals in Missouri. A data warehouse for MoHWoRx has been built to facilitate data quality assurance and analytics. Currently reports are being written to provide information on health care shortage areas and demographic, geographic and practice characteristics.

Section 324.001 of the proposal allows state boards to collaborate with the DHSS to collect and analyze workforce data to assess the availability of qualified health providers.

It is assumed that the MoHWoRx platform for the collection of information on the healthcare workforce will continue to be utilized and that additional resources will be added to ensure data quality, identify data gaps and provide the advanced analytics necessary to provide the information on the workforce to the various boards.

The Division of Community and Public Health (DCPH) will assist with data collection, data quality, reporting and identification of application issues and enhancements. In addition, since the information is self-reported, it is critical that data collected is systematically and routinely reviewed to assure quality and accuracy of the data reported -- particularly in regards to practice locations (satellite sites) and hours of operation. With the proposed legislation, it is anticipated the number of professionals registered and their practice information will increase substantially. DCPH will require additional FTE to assure technical support/assistance to the health care professionals as well as assure data quality and analysis. To perform these additional duties, DCPH will need one FTE Research Analyst III ($40,380 annually). Total costs to the General Revenue Fund are estimated to be $69,484 for FY 2017; $76,315 for FY 2018; and $77,192 for FY 2019.

Oversight assumes the DHSS does not need rental space for one FTE.

ASSUMPTION (continued)

In addition, **Oversight** assumes the language of the proposal is permissive since it states in 324.001.14(1) that the state boards "may individually or collectively enter into a contractual agreement with the department of health and senior services..." (emphasis added). Therefore, the DHSS may or may not need additional resources to collect and analyze workforce data. As a result, Oversight will range DHSS costs from $0 to the amount provided by DHSS less rental space costs.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state this legislation would have an unknown cost to various Professional Registration funds until contracts are established for the purpose of data collection.

The boards would incur minimal costs to collect the data. If the board(s) entered into a third party contract to analyze the data, the cost of the contract(s) would be based on the Request For Proposal (RFP).

Oversight assumes the language of the proposal is permissive since it states in 324.001.14(1) that the state boards "may individually or collectively enter into a contractual agreement with the department of health and senior services, a public institution of higher education, or a nonprofit entity..." (emphasis added). Therefore, the DIFP's Professional Registration boards may or may not need additional resources to collect and analyze workforce data. As a result, Oversight will range DIFP's various Professional Registration board costs from $0 to unknown.

§334.108 - Prescribing Drugs

Officials from the **DSS, MHD** provide that section 334.108.3 states no physician or his/her delegate, on-call physician, or advanced practice registered nurse shall prescribe any drug, controlled substance, or other treatment to a patient based solely on an evaluation over the telephone, unless a previously established ongoing relationship exists.

Section 334.108.4 states no physician shall prescribe any drug, controlled substance, or other treatment to a patient based solely on an internet request or an internet questionnaire.

The provisions of this section have no fiscal impact on the MHD.

Bill as a Whole:

Officials from the **Joint Committee on Administrative Rules (JCAR)** state the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

ASSUMPTION (continued)

Officials from the **Department of Elementary and Secondary Education**, the **Department of Higher Education**, the **Department of Mental Health**, the **Department of Corrections**, the **Department of Revenue**, the **Missouri Consolidated Health Care Plan**, the **Missouri Department of Conservation**, the **Missouri Department of Transportation**, the **Missouri Office of Prosecution Services**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Office of State Treasurer**, the **Everton R-III School District**, the **Lewis County C-1 School District**, the **Macon County R-IV Schools**, the **Malta Bend School District**, **West Plains Schools**, **State Technical College** and the **University of Central Missouri** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Department of Public Safety, Missouri State Highway Patrol** defer to the Missouri Department of Transportation (MoDOT), Employee Benefits Section for response on behalf of the Highway Patrol. Please see MoDOT's fiscal note response for the potential fiscal impact of this proposal.

In response to similar legislation that has been included in this proposal, officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than $2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Section B - Emergency Clause

Oversight notes the emergency clause applies to section 9.154, 191.594, 191.596, 191.1145 and 208.152.

FISCAL IMPACT - State Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
GENERAL REVENUE FUND				
Income - DHSS (§197.315)				
Increase in Certificate-of-Need fees	$0 to Less than $100,000	$0 to Less than $100,000	$0 to Less than $100,000	$0 to Less than $100,000
Costs - DHSS (§192.380)				
Personal service	($32,440)	($39,317)	($39,710)	($40,107)
Fringe benefits	($17,273)	($20,833)	($20,941)	($21,150)
Equipment and expense	($16,856)	($14,230)	($14,586)	($14,950)
Total Costs - DHSS	($66,569)	($74,380)	($75,237)	($76,207)
FTE Change - DHSS	1 FTE	1 FTE	1 FTE	1 FTE
Costs - DSS-MHD (§208.152)				
Increased program payments	$0 to ($88,002)	$0 to ($90,642)	$0 to ($93,391)	$0 to ($96,162)
Costs - DSS (§§208.671 - 208.686)				
Personal service	($60,342)	($73,134)	($73,865)	($74,604)
Fringe benefits	($29,100)	($35,118)	($35,318)	($35,520)
Equipment and expense	($9,450)	($2,094)	($2,146)	($2,200)
MMIS update	($137,500)	$0	$0	$0
Program distributions	($243,613)	($301,105)	($266,094)	($258,957)
Total Costs - DSS	($480,005)	($411,451)	($377,423)	($371,281)
FTE Change - DSS	1.5 FTE	1.5 FTE	1.5 FTE	1.5 FTE

FISCAL IMPACT - State Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
GENERAL REVENUE FUND (continued)				
Costs - DHSS (§324.001)	$0 or...	$0 or...	$0 or...	$0 or...
Personal service	($33,650)	($40,784)	($41,192)	($41,604)
Fringe benefits	($17,603)	($21,234)	($21,346)	($21,559)
Equipment and expense	($14,877)	($10,171)	($10,425)	($10,686)
Total Cost - DHSS	$0 or ($66,130)	$0 or ($72,189)	$0 or ($72,963)	$0 or ($73,849)
FTE Change - DHSS	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	**($546,574 to $700,706)**	**($485,831 to $648,662)**	**($452,660 to $619,014)**	**($447,488 to $617,499)**
Estimated Net FTE Change on the General Revenue Fund	2.5 FTE or 3.5 FTE	2.5 FTE or 3.5 FTE	2.5 FTE or 3.5 FTE	2.5 FTE or 3.5 FTE
INSURANCE DEDICATED FUND				
Income - DIFP (§§208.671 - 208.686)				
Form filing fees	Up to $5,000	$0	$0	$0
ESTIMATED NET EFFECT ON THE INSURANCE DEDICATED FUND	**Up to $5,000**	**$0**	**$0**	**$0**

FISCAL IMPACT - State Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
PROFESSIONAL REGISTRATION FUNDS				
Costs - DIFP (§324.001) Data collection costs	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)	$0 or (Unknown)
ESTIMATED NET EFFECT ON PROFESSIONAL REGISTRATION FUNDS	**$0 or (Unknown)**	**$0 or (Unknown)**	**$0 or (Unknown)**	**$0 or (Unknown)**
UNIVERSITY FUNDS				
Costs - State-Operated Hospitals (§197.315) Certificate-of-Need application fees	$0 to (Less than $100,000)	$0 to (Less than $100,000)	$0 to (Less than $100,000)	$0 to (Less than $100,000)
ESTIMATED NET EFFECT ON UNIVERSITY FUNDS	**$0 to (Less than $100,000)**	**$0 to (Less than $100,000)**	**$0 to (Less than $100,000)**	**$0 to (Less than $100,000)**

FISCAL IMPACT - State Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
FEDERAL FUNDS				
Income - DSS-MHD				
Increase in program reimbursements (§208.152)	$0 to $151,315	$0 to $155,855	$0 to $160,531	$0 to $165,347
Increase in program reimbursements (§§208.671 - 208.686)	$659,027	$632,724	$573,652	$562,416
Costs - DSS (§208.152)				
Increase in program costs	$0 to ($151,315)	$0 to ($155,855)	$0 to ($160,531)	$0 to ($165,347)
Costs - DSS (§§208.671 - 208.686)				
Personal service	($60,342)	($73,134)	($73,865)	($74,604)
Fringe benefits	($29,100)	($35,118)	($35,318)	($35,520)
Equipment and expense	($9,450)	($2,094)	($2,146)	($2,100)
MMIS update	($137,500)	$0	$0	$0
Program disbursements	($422,635)	($522,378)	($462,323)	($450,192)
Total Costs - DSS	($659,027)	($632,724)	($573,652)	($562,416)
FTE Change - DSS	1.5 FTE	1.5 FTE	1.5 FTE	1.5 FTE
ESTIMATED NET EFFECT ON FEDERAL FUNDS	**$0**	**$0**	**$0**	**$0**
Estimated Net FTE Change on Federal Funds	1.5 FTE	1.5 FTE	1.5 FTE	1.5 FTE

FISCAL IMPACT - Local Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
	$0	**$0**	**$0**	**$0**

FISCAL IMPACT - Small Business

This proposal will have a direct, positive impact on small business health care providers.

FISCAL DESCRIPTION

§192.380 - Maternal Care

The bill establishes the Perinatal Advisory Council which must be composed of representatives from specified organizations who must focus on and have experience in maternal and infant health, one of whom must be elected chair by a majority of the members, to be appointed by the Governor with the advice and consent of the Senate. After seeking broad public and stakeholder input, the council must make recommendations in the best interest of patients for the division of the state into neonatal and maternal care regions. When making the recommendations the council must make specified considerations. The council must establish criteria for levels of maternal care designations and levels of neonatal care designations for birthing facilities and regional perinatal centers. The levels developed under these provisions must be based on specified criteria.

§197.305 - Certain Health Care Facilities Operated by the State are not Exempt from Certificate of Need Requirements

Currently, facilities operated by the state are not required to obtain a certificate of need, appropriation of funds to such facilities by the General Assembly are deemed in compliance with certificate of need provisions, and such facilities are deemed to have received an appropriate certificate of need without payment of any fee or charge. This bill requires hospitals operated by the state and licensed under Chapter 197 to obtain a certificate of need and comply with the other provisions of certificate of need except for Department of Mental Health state-operated psychiatric hospitals.

§208.152 - MO HealthNet Reimbursement of New Behavior Assessment and Intervention Codes

Beginning July 1, 2016, and subject to appropriations, this bill requires the MO HealthNet Division within the Department of Social Services to reimburse eligible providers, including psychologists, of behavioral, social, and psychophysiological services for the prevention,

FISCAL DESCRIPTION (continued)

treatment, or management of physical health problems. A provider must be reimbursed utilizing the specified behavior assessment and intervention reimbursement codes or their successor codes under the Current Procedural Terminology coding system maintained by the American Medical Association.

§§208.670, 208.671, 208.673, 208.675, 208.677, and 208.686 - Telehealth and Telemonitoring

This act defines "telehealth" or "telemedicine" as the delivery of health care services by means of information and communication technologies which facilitate the assessment, diagnosis, consultation, treatment, education, care management, and self-management of a patient's health care while such patient is at the originating site and the health care provider is at the distant site. Any licensed health care provider shall be authorized to provide telehealth services if such services are within the scope of practice for which the health care provider is licensed and are provided under the same standard of care as services provided in person. Additionally, no originating site for shall be required to maintain immediate availability of on-site clinical staff during the telehealth service, unless such is necessary to meet the standard of care for the treatment of the patient's medical condition when the treating physician has not previously met the patient in person, is not at the originating site, and is not providing coverage for a health care provider with an established relationship with the patient.

Additionally, physicians practicing telemedicine shall ensure that a properly established physician-patient relationships, as described in this act, exists with the person receiving telemedicine services. Physicians, or their delegates, on-call physicians, or advanced practice registered nurses, shall be prohibited from prescribing drugs, controlled substances, or any other treatment to a patient based solely on an evaluation over the telephone, unless a previously-established and ongoing valid physician-patient relationship exists, or based solely on an Internet request or an Internet questionnaire.

This act specifies the licensed individuals who shall be considered eligible health care providers for the provision of telehealth services for MO HealthNet participants. Additionally, this act specifies the originating sites where a MO HealthNet participant may receive telehealth services.

This act addresses the use of asynchronous store-and-forward technology in the practice of telehealth services for MO HealthNet participants. "Asynchronous store-and-forward" is defined in the act as the transfer of a patient's clinically important digital samples, such as still images, videos, audio, and text files, and relevant data from an originating site through the use of a camera or similar recording device that stores digital samples that are forwarded via telecommunication to a distant site for consultation by a consulting provider without requiring the simultaneous presence of the patient and the patient's treating provider. The Department of Social Services, in consultation with the Departments of Mental Health and Health and Senior

FISCAL DESCRIPTION (continued)

Services, shall promulgate rules governing the use of asynchronous store-and-forward technology in the practice of telehealth in MO HealthNet. The act also specifies reimbursement for asynchronous store-and-forward services for the treating provider and the consulting provider.

This act establishes a statewide home telemonitoring program for the MO HealthNet program. Home telemonitoring services are health care services that require scheduled remote monitoring of data related to a patient's health. The act specifies the individuals for whom home telemonitoring services may be made available. If the Department of Social Services determines that home telemonitoring is not cost effective, the Department may discontinue the program and stop providing reimbursement through MO HealthNet for such services.

Finally, this act permits a health carrier to reimburse a health care provider for telehealth services that utilize store-and-forward technologies.

§324.001 - Collect and Analyze Workforce Data

This bill authorizes the State Board of Nursing, Board of Pharmacy, Missouri Dental Board, State Committee of Psychologists, State Board of Chiropractic Examiners, State Board of Optometry, the Missouri Board of Occupational Therapy or the State Board of Registration for the Healing Arts within the Department of Insurance, Financial Institutions and Professional Registration to individually or collectively enter into a contractual agreement with the Department of Health and Senior Services, a public institution of higher education, or a nonprofit entity for the purpose of collecting and analyzing workforce data. Information may be obtained from each board's licensees, registrants, or permit holders for future workforce planning and to assess the accessibility and availability of qualified health care services and practitioners in Missouri. The boards must work collaboratively with other state governmental entities to ensure coordination and avoid duplication of efforts. The boards may expend appropriated funds necessary for operational expenses of the program and each board is authorized to accept grants to fund the collection or analysis authorized in these provisions. Any funds received under these provisions must be deposited in the respective board’s fund.

Data collection must be controlled and approved by the applicable state board conducting or requesting the collection. The boards may release identifying data to the contractor to facilitate data analysis of the health care workforce including, but not limited to, geographic, demographic, and practice or professional characteristics of licensees. The state board must not request or be authorized to collect income or other financial earnings data.

FISCAL DESCRIPTION (continued)

Data collected under these provisions must be deemed the property of the state board requesting the data and must be maintained by the state board in accordance with Chapter 610, RSMo, the Open Meetings and Records Law, provided any information deemed closed or confidential must not be disclosed without consent of the applicable licensee or entity or as otherwise authorized by law.

The data must only be released in an aggregate form as specified in the bill and in a manner that cannot be used to identify a specific individual or entity. Data suppression standards must be addressed and established in the contract.

A contractor must maintain the security and confidentiality of data received or collected and must not use, disclose, or release any data without approval of the applicable state board and the contract between the applicable state board and the contractor must establish a data release and research review policy.

This act has an emergency clause for certain provisions.

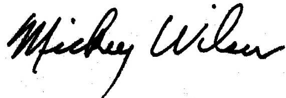
This legislation is not federally mandated. It may duplicate another program but would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Higher Education
Department of Health and Senior Services
Department of Insurance, Financial Institutions
and Professional Registration
Department of Mental Health
Department of Corrections
Department of Revenue
Department of Public Safety -
Missouri State Highway Patrol
Department of Social Services -
MO HealthNet Division
Office of the Governor
Joint Committee on Administrative Rules
Missouri Consolidated Health Care Plan
Missouri Department of Conservation

SOURCES OF INFORMATION (continued)

Missouri Department of Transportation
Missouri Office of Prosecution Services
Office of Administration
Office of State Courts Administrator
Missouri Senate
Office of Secretary of State
Office of State Treasurer
Everton R-III School District
Lewis County C-1 School District
Macon County R-IV Schools
Malta Bend School District
West Plains Schools
State Technical College
University of Central Missouri
University of Missouri



Mickey Wilson, CPA	Ross Strope
Director	Assistant Director
May 2, 2016	May 2, 2016